



# Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

May 25, 2016

## Public Utility Tax Credits for “Billing Discounts” and “Qualifying Contributions”

This is our annual update on the Low Income Home Energy Assistance Program (LIHEAP) including the *Public Utility Tax Credit Application* for July 1, 2016 to June 30, 2017.

The Department of Commerce (DOC) administers LIHEAP in cooperation with light and power businesses and gas distribution businesses. Under this program, DOC administers funds from various sources to reduce energy costs for low income persons. DOC, or organizations that contract with DOC, distributes these funds in the form of grants to light and power businesses and gas distribution businesses based on need. Many light and power businesses and gas distribution businesses also provide billing discounts for low income customers.

To encourage billing discounts and contributions, Revised Code of Washington 82.16.0497 allows a limited credit against the public utility tax for billing discounts and qualifying contributions made by light and power businesses or gas distribution businesses.

**Billing discounts** are actual reductions in the amount charged for providing service to qualifying persons in Washington. A qualifying person is a Washington resident who applies and qualifies for LIHEAP assistance regardless if that person actually receives assistance.

Billing discounts do not include service charge reductions made using grants received from the LIHEAP, either from DOC or an organization that contracts with DOC, to administer LIHEAP funds.

**Qualifying contributions** are amounts given by light and power businesses or gas distribution businesses to an organization that contracts with DOC to administer LIHEAP funds.

Qualifying contributions do not include amounts received in the prior fiscal year from the business's customers for the purpose of assisting other customers.

### Eligibility

To be eligible for the credit using billing discounts or qualifying contributions, the business must give billing discounts or qualifying contributions greater than 125 percent of those given by the business in the state fiscal year 2000 (July 1, 1999 - June 30, 2000), respectively. If no billing discounts or qualifying contributions were given in state fiscal year 2000, a credit is allowed in the first fiscal year that billing discounts or qualifying contributions are given. Each year thereafter, the business must give billing discounts or qualifying contributions of greater than 125 percent of those given in the first year, respectively, to be eligible for the credit.

P.O. BOX 47478 | OLYMPIA, WASHINGTON 98504-7478 | 1-800-647-7706 | [HTTP://DOR.WA.GOV](http://DOR.WA.GOV)

For tax assistance or to request this document in an alternate format, please call 1-800-647-7706. Teletype (TTY) users may use the Washington State Relay Service by calling 711.

**Amount of Credit**

The maximum amount of credit is either 50 percent of the light and power or gas distribution business's total billing discounts and qualifying contributions, or the business's base credit, whichever is less. A business's base credit is its proportional share of all grants given through the DOC and/or qualifying organizations in the prior fiscal year multiplied by \$2,500,000 (statewide credit cap).

Each year, the Department of Revenue will notify light and power and gas distribution businesses of the amount of their base credit. The base credit for state fiscal year 2017 is enclosed.

**Credit Application**

Eligible businesses must apply for the credit. The application asks for the amount of billing discounts or qualifying contributions that the business will make in the next state fiscal year. If the total amount of credits to be taken by the businesses in the upcoming fiscal year is less than the \$2,500,000 statewide cap, the Department of Revenue will proportionately increase the base credit for each business that submitted an application. Businesses will be notified of the increased amount of credit that they may take.

The *Public Utility Tax Credit Application* is enclosed. The application must be mailed to the Department and postmarked by July 1, 2016.

**For More Information**

If you have any questions, please call (360) 902-7025 or (360) 902-7174.



# Public Utility Tax Credit Application Low Income Assistance

Business Name: \_\_\_\_\_ Tax Registration/UBI Number: \_\_\_\_\_ - \_\_\_\_\_

**Line No. STEP 1 – Customer Donations, Actual Billing Discounts, and Actual Qualifying Contributions.**

**(For Information Only)**

- 1 Money received from customers in the period of July 1, 2014 through June 30, 2015 (if any) for the purpose of assisting other customers ..... \$
- 2 Billing Discounts given in the period of July 1, 2015 through June 30, 2016 ..... \$
- 3 Qualifying Contributions given in the period of July 1, 2015 through June 30, 2016 ..... \$

**STEP 2 – Computation of Billing Discount Credit**

- 4 The amount of billing discounts anticipated between July 1, 2016 through June 30, 2017 ..... \$
- 5 a) Billing discounts given July 1, 1999 through June 30, 2000 (if none, go to b) ..... \$  X 1.25 = \$
- or
- b) Billing discounts given, first qualifying fiscal year July 1, \_\_\_\_\_ through June 30, \_\_\_\_\_ ..... \$  X 1.25 = \$
- 6 Compare the amount on Line 4 with the amount on Line 5. If the amount on Line 4 is **larger** than the amount on Line 5, enter the amount from Line 4 on Line 6. If the amount on Line 4 is **smaller** than the amount on Line 5, enter "0" on Line 6 ..... \$

**STEP 3 – Computation of Qualifying Contributions Credit**

- 7 The amount of qualifying contributions anticipated between July 1, 2016 through June 30, 2017 ..... \$
- 8 a) Qualifying contributions made July 1, 1999 through June 30, 2000 (if none, go to b) ..... \$  X 1.25 = \$
- or
- b) Qualifying contributions made first qualifying fiscal year July, \_\_\_\_\_ through June 30, \_\_\_\_\_ ..... \$  X 1.25 = \$
- 9 Compare the amount on Line 7 with the amount on Line 8. If the amount on Line 7 is **larger** than the amount on Line 8, enter the amount from Line 7 on Line 9. If the amount on Line 7 is **smaller** than the amount on Line 8, enter "0" on Line 9 ..... \$

**STEP 4 – Total Credit**

- 10 Add Lines 6 and 9 above ..... \$  X .50 = \$
- 11 Enter your amount of base credit. See the attached notice ..... \$
- 12 Enter the lesser amount from Line 10 or 11. This is your Low Income Assistance Credit ..... \$

**➡ Note: The Department of Revenue may proportionately recalculate the credit to ensure the statewide cap is met.**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Application must be postmarked on or before **July 1, 2016**.  
If you have any questions, please call (360) 902-7025 or (360) 902-7174.

**Return to:** Department of Revenue  
Taxpayer Account Administration  
**ATTN: SPECS**  
PO Box 47476  
Olympia, WA 98504-7476

2016 LIHEAP Y-T-D Vendor Report

| Registration # | Vendor   | YTD Liheap           | Proportionate Share | Original Base Credit  |
|----------------|--|----------------------|---------------------|-----------------------|
| 015-000-177    | BIG BEND ELECTRIC                                | 108,693.00           | 0.4568%             | \$11,420.03           |
| 034-002-819    | BENTON COUNTY PUD                                | 451,953.00           | 1.8994%             | \$47,485.26           |
| 035-000-239    | BENTON RURAL ELECTRIC ASSN.                      | 66,880.00            | 0.2811%             | \$7,026.87            |
| 036-001-852    | RICHLAND, CITY OF                                | 85,708.00            | 0.3602%             | \$9,005.07            |
| 048-003-756    | CHELAN COUNTY PUD #1                             | 170,996.00           | 0.7186%             | \$17,966.01           |
| 054-001-519    | PORT ANGELES, CITY OF                            | 125,566.00           | 0.5277%             | \$13,192.82           |
| 054-003-503    | CLALLAM COUNTY PUD                               | 166,573.00           | 0.7001%             | \$17,501.30           |
| 065-002-678    | CLARK PUBLIC UTILITIES                           | 1,400,010.00         | 5.8838%             | \$147,094.60          |
| 071-000-308    | COLUMBIA REA                                     | 15,499.00            | 0.0651%             | \$1,628.43            |
| 084-000-944    | COWLITZ PUD                                      | 402,450.00           | 1.6914%             | \$42,284.14           |
| 091-000-037    | DOUGLAS COUNTY PUD                               | 76,370.00            | 0.3210%             | \$8,023.95            |
| 099-000-297    | COULEE DAM, CITY OF                              | 469.00               | 0.0020%             | \$49.28               |
| 101-000-249    | FERRY PUD  | 38,331.00            | 0.1611%             | \$4,027.32            |
| 113-001-191    | FRANKLIN COUNTY PUD                              | 482,458.00           | 2.0276%             | \$50,690.33           |
| 132-000-175    | GRANT PUD  | 538,749.00           | 2.2642%             | \$56,604.64           |
| 141-001-811    | GRAYS HARBOR PUD #1                              | 437,420.00           | 1.8383%             | \$45,958.33           |
| 172-000-039    | ENUMCLAW, CITY OF                                | 4,145.00             | 0.0174%             | \$435.50              |
| 175-000-571    | TANNER ELECTRIC                                  | 7,328.00             | 0.0308%             | \$769.93              |
| 178-048-953    | SEATTLE CITY LIGHT                               | 1,395,830.00         | 5.8662%             | \$146,655.42          |
| 179-010-055    | PUGET SOUND ENERGY                               | 8,029,058.00         | 33.7435%            | \$843,587.57          |
| 192-000-016    | ELLENSBURG, CITY OF                              | 134,387.00           | 0.5648%             | \$14,119.61           |
| 192-000-951    | KITTITAS COUNTY PUD #1                           | 59,962.00            | 0.2520%             | \$6,300.02            |
| 202-000-284    | KLICKITAT PUD - White Salmon - Goldendale        | 102,645.00           | 0.4314%             | \$10,784.58           |
| 211-000-432    | CENTRALIA, CITY OF                               | 119,008.00           | 0.5002%             | \$12,503.79           |
| 212-000-785    | LEWIS COUNTY PUD #1                              | 97,320.00            | 0.4090%             | \$10,225.10           |
| 232-000-374    | MASON COUNTY PUD #1                              | 19,669.00            | 0.0827%             | \$2,066.56            |
| 232-000-573    | MASON COUNTY PUD #3                              | 249,196.00           | 1.0473%             | \$26,182.23           |
| 242-000-308    | OKANOGAN PUD (394)                               | 196,113.00           | 0.8242%             | \$20,604.97           |
| 249-000-347    | NESPELEM VALLEY ELECTRIC                         | 402.00               | 0.0017%             | \$42.24               |
| 249-000-378    | OKANOGAN CO-OP                                   | 9,129.00             | 0.0384%             | \$959.15              |
| 253-000-573    | PACIFIC PUD #2                                   | 76,693.00            | 0.3223%             | \$8,057.89            |
| 264-000-420    | PEND OREILLE PUD #1- Newport                     | 57,780.00            | 0.2428%             | \$6,070.76            |
| 272-000-006    | OHOP MUTUAL                                      | 9,670.00             | 0.0406%             | \$1,016.00            |
| 273-000-038    | PENINSULA LIGHT                                  | 62,003.00            | 0.2606%             | \$6,514.46            |
| 276-000-057    | STEILACOOM, TOWN OF                              | 1,762.00             | 0.0074%             | \$185.13              |
| 278-000-897    | RUSTON, TOWN OF                                  | 741.00               | 0.0031%             | \$77.85               |
| 278-000-955    | LAKEVIEW LIGHT                                   | 106,755.00           | 0.4487%             | \$11,216.41           |
| 278-002-171    | ELMHURST MUTUAL                                  | 59,873.00            | 0.2516%             | \$6,290.67            |
| 278-012-340    | TACOMA PUBLIC UTILITIES                          | 1,589,128.00         | 6.6786%             | \$166,964.62          |
| 279-000-005    | PARKLAND LIGHT                                   | 25,919.00            | 0.1089%             | \$2,723.23            |
| 279-000-101    | MILTON, TOWN OF                                  | 2,429.00             | 0.0102%             | \$255.21              |
| 279-003-377    | ALDER MUTUAL                                     | 839.00               | 0.0035%             | \$88.15               |
| 289-000-063    | ORCAS POWER & LIGHT                              | 36,216.00            | 0.1522%             | \$3,805.10            |
| 301-000-100    | SKAMANIA COUNTY PUD                              | 31,554.00            | 0.1326%             | \$3,315.28            |
| 313-005-741    | SNOHOMISH COUNTY PUD                             | 1,279,617.00         | 5.3778%             | \$134,445.29          |
| 321-000-008    | CHENEY, CITY OF                                  | 25,896.00            | 0.1088%             | \$2,720.81            |
| 328-000-223    | AVISTA- Spokane - Electric                       | 2,520,683.00         | 10.5936%            | \$264,840.14          |
| 328-009-655    | INLAND POWER & LIGHT CO                          | 247,823.00           | 1.0415%             | \$26,037.97           |
| 329-000-096    | MODERN ELECTRIC                                  | 67,826.00            | 0.2851%             | \$7,126.26            |
| 331-000-072    | CHEWELAH, CITY OF                                | 23,331.00            | 0.0981%             | \$2,451.31            |
| 351-000-147    | WAHIAKUM PUD                                     | 17,059.00            | 0.0717%             | \$1,792.33            |
| 372-000-285    | BLAINE, CITY OF                                  | 9,673.00             | 0.0407%             | \$1,016.31            |
| 377-000-001    | SUMAS LIGHT                                      | 3,414.00             | 0.0143%             | \$358.70              |
| 397-003-352    | Yakima Cooperative Assn.                         | 456.00               | 0.0019%             | \$47.91               |
| 409-000-070    | PACIFICORP - Pacific Power & Light - Toppenish - | 1,902,093.00         | 7.9939%             | \$199,846.86          |
| 409-000-073    | NORTHWEST NATURAL GAS                            | 86,365.00            | 0.3630%             | \$9,074.10            |
| 409-002-170    | CLEARWATER POWER                                 | 5,953.00             | 0.0250%             | \$625.46              |
| 578-012-249    | CASCADE NATURAL GAS                              | 395,540.00           | 1.6623%             | \$41,558.13           |
| 602-614-309    | Yakama Power                                     | 490.00               | 0.0021%             | \$51.48               |
| 601-141-351    | Jefferson County PUD #1                          | 154,484.00           | 0.6492%             | \$16,231.14           |
|                | <b>Totals</b>                                    | <b>23,794,382.00</b> | <b>100.0000%</b>    | <b>\$2,500,000.00</b> |